

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 Second Round

November 8, 2023

Baldwin Park Affordable Housing, located at 14617 Ramona Boulevard in Baldwin Park, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,237,381 in total state tax credits to finance the new construction of 50 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Cesar Chavez Foundation and will be located in Senate District 22 and Assembly District 48.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-23-118

Project Name Baldwin Park Affordable Housing
Site Address: 14617 Ramona Boulevard
Baldwin Park, CA 91706
County: Los Angeles
Census Tract: 4051.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,237,381
Recommended:	\$2,500,000	\$8,237,381

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Cesar Chavez Foundation
Contact: Alfredo R. Izmajtovich
Address: 29700 Woodford-Tehachapi Road, PO Box 310
Keene, CA 93531
Phone: (213) 362-0260
Email: alfredo@chavezfoundation.org

General Partner(s) / Principal Owner(s): Baldwin Park Housing Development LLC
General Partner Type: Nonprofit
Parent Company(ies): Cesar Chavez Foundation
Developer: Cesar Chavez Foundation
Investor/Consultant: Boston Financial
Management Agent(s): Cesar Chavez Foundation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 51
No. & % of Tax Credit Units: 50 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (50 Units - 100%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Balance of Los Angeles County
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	22	40%
At or Below 40% AMI:	10	20%
At or Below 50% AMI:	14	25%
At or Below 60% AMI:	4	5%

Unit Mix

15 1-Bedroom Units
16 2-Bedroom Units
15 3-Bedroom Units
<u>5 4-Bedroom Units</u>
51 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 1 Bedroom	30%	\$709
7 2 Bedrooms	30%	\$851
2 3 Bedrooms	30%	\$983
1 4 Bedrooms	30%	\$1,097
5 2 Bedrooms	40%	\$1,135
5 3 Bedrooms	40%	\$1,311
3 1 Bedroom	50%	\$1,182
3 2 Bedrooms	50%	\$1,418
8 3 Bedrooms	50%	\$1,639
4 4 Bedrooms	60%	\$2,194
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,982,800
Construction Costs	\$26,840,652
Rehabilitation Costs	\$0
Construction Contingency	\$1,655,611
Relocation	\$0
Architectural/Engineering	\$1,465,000
Const. Interest, Perm. Financing	\$5,987,328
Legal Fees	\$170,000
Reserves	\$782,273
Other Costs	\$3,148,741
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$47,232,405

Residential

Construction Cost Per Square Foot:	\$441
Per Unit Cost:	\$926,126
True Cash Per Unit Cost*:	\$924,905

Construction Financing

Source	Amount
JPMorgan Chase Bank	\$38,000,000
City of Baldwin Park: HOME	\$2,800,000
HCD: IIG	\$500,000
Deferred Costs	\$741,274
Tax Credit Equity	\$5,191,131

Permanent Financing

Source	Amount
JPMorgan Chase Bank	\$12,945,000
City of Baldwin Park: HOME	\$2,800,000
HCD: IIG	\$2,500,000
SGVRHT ¹	\$500,000
Deferred Developer Fee	\$62,248
Tax Credit Equity	\$28,425,157
TOTAL	\$47,232,405

*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

¹San Gabriel Valley Regional Housing Trust

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,237,381
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.78000

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	51.290%
CTCAC Final:	52.484%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$924,905. The applicant noted that the per unit cost is attributed to inflation, increased gas prices, specialized requirements, rising concrete expenses, interest rates, prevailing wages, and insurance expenses.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.